

The British World View of Commerce

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India

Six important Japanese cotton organizations, in a statement on the repudiation of the Indo-Japanese commercial treaty, now say that should the Indian Government not alter its attitude, the Japanese organizations are firmly resolved to act, "considering the grave nature of the problem." They add that the termination of the treaty without preliminary negotiations and the recent Anti-Dumping Law passed by the Indian Legislature constitute "an unfriendly act," and an extreme boycott of Japanese goods, which is not only against the interests of the Indian public, but will also result in unhappy consequences to the treaty relations between India and Japan.

The Anti-Dumping Act is regarded by these associations more in the nature of protection for Lancashire than as a safeguard for the Indian textile industry, "in which there has been phenomenal expansion since the war." No decision, however, has been taken regarding the boycott of Indian cotton pending further negotiations, although Japanese traders are advocating it.

The Committee of the Indian Chamber of Commerce, Calcutta, and the Delhi piece-goods merchants, have asked the Government of India immediately to save the textile industry from ruin by action under the Anti-Dumping Act.

How "Anti-Dumping Act" Works.—The "Anti-Dumping Act" which the Legislative Assembly has just passed has so been drafted as to secure two important purposes. In the first place, the power of direct executive action given to the Governor-General-in-Council will enable steps for the preservation of threatened industries. In the second place, it lays upon the Legislature responsibility for the endorsement or cancellation of every step of the kind taken by the Executive Government. There can, in this respect, be no sitting on the fence.

The Legislature must endorse by resolutions in both Houses every protective measure taken. In this way the authority of the Legislature over the import tariff is preserved and the right of the consumers to have their viewpoint asserted against such protective measures, if they wish to have it asserted, is secured.

The non-official European group in the Legislative Assembly, who at the time of the annual Budget debate specially demanded protective legislation of this kind, urged upon the authorities the need of speedy action, because, they said, small Indian industries were "tottering under the cut-throat competition of dumped imported goods."

Canada

The shift of the United States toward controlled inflation is a matter of deep interest to Canada because of the close economic attachment existing between the two countries. Canada's position, it now appears, would not be jeopardized even if the United States enforced the extreme sanctions in the measure that has passed the Senate, but still has to face a less partial lower house. The view held in banking circles here is that inflation in the United States, while it would tend to bring our dollar in closer alignment with New York funds, would result in an increased outlet for our goods and materials in United States markets which with the further trade stimulus in a sharply higher sterling rate here would result materially to our advantage.

The sharp rise in wheat has materially brightened our economic picture during the past month. Our carryover is still sufficiently large to permit the country at large to benefit materially from the sharp advance. Coming at this time, too, the rise in wheat will no doubt tend to stimulate seeding operations in Western Canada, and contribute to the maintenance of normal acreage at least.

The latest move, to which reference was made last month, in the direction of reducing our national costs is a reduction of bank interest rates in Canada on savings deposits. No immediate effect was apparent in the bond market, as it was rather affected by other extraneous and conflicting influences.

The departure of the United States from the Gold Standard was a development of some moment to our gold mining companies. Hitherto the producers sold their product to the Government, and were paid the equivalent of New York funds, the price being the average of the quotation on funds for the three days at the time of the receipt of the metal. Now with the United States off gold, and the American dollar at a substantial discount in terms of gold currencies, it is clear that that currency is no longer a fair measure of value of gold. The sterling quotation establishes prices here, and it was significant in this connection that a shipment of gold was recently dispatched to London, to be sold in the open market there.

Australia

The actual balance of trade in favour of Australia for eight months of the current statistical year, July to February inclusive, was £26,641,000, being slightly in excess of the favourable balance for eight months of the previous year. Then, however, the bullion and specie balance was £4,377,000, whereas now it is £13,236,000. The large bullion and specie balance is wholly on account of shipments by the Commonwealth Bank of gold from its reserves for conversion into sterling. The amount taken into account from July 1 to end of February was 6,417,270 sovereigns, whose estimated value is £529,053,169 and £A11,316,768. The actual commodity balance for the period was £5213,405,000 compared with £522,042,000 for the corresponding period of 1931-32.

In quantity exports of primary products generally showed increases as compared with the corresponding period last year, but in many cases there was a fall in values. Shipments of cheese increased in volume by 44 per cent, butter by 20 per cent, and milk and cream by 92 per cent. Wheat increased by 5 per cent, and flour by 4 per cent. Sugar exports were 35 per cent less, wine 22 per cent less, and coal 25 per cent less. Exports of meat in value were generally lower, also sugar, copper, zinc and timber.

On the import side apparel and textiles showed an increase of 36 per cent, and the advance in metals and machinery was equal to 67 per cent; the greatest increase in the section being motor chassis, from £216,000 to £1,004,000 for 1932-33.

With the passing of nine months of the financial year the Budgetary position continued satisfactory. Federal revenue amounted to £52,285,000, and expenditure to £49,954,000, giving a surplus of £2,331,000 or £135,000 less than at the end of eight months.

United States

A marked revival of trade has been indicated recently. An industrial survey tends to show that a return to normal is slowly gathering momentum. One of the best signs of it is the announcement by a number of corporations and factories and firms of a 5 or 10 per cent increase in wages, and this is somewhat more than one would expect so early after an improvement in business has begun. Whether this will last, or whether it is merely seasonal, it is hard to say at this moment. A general upward turn in confidence and business has been apparent since the middle of March, just after the banks reopened. Commercial failures have decreased. Steel production, which is considered the barometer of business, is now 20 per cent of normal as compared with 14 per cent in the third week in March. Encouraging improvement is indicated in seasonal trades and in trades allied with brewing of beer.